

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 DOTE-00 EB-07 FMC-01 SAL-01 CG-00 DLOS-06

OES-06 AGR-05 EURE-00 /085 W
----- 037924

P 181726Z AUG 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC PRIORITY 7699

C O N F I D E N T I A L MOSCOW 13089

E.O. 11652: GDS

TAGS: EWWT, UR, US

SUBJECT: SOVIET REPLY TO US PROTEST ON NONFULFILLMENT OF MARITIME
AGREEMENT

REF: A) MOSCOW 12377, B) STATE 190964, C) MOSCOW 13088

1. FOLLOWING IS EMBASSY'S INFORMAL TRANSLATION OF MINISTRY OF FOREIGN
AFFAIRS DIPLOMATIC NOTE DATED AUGUST 18 IN REPLY TO EMBASSY NOTE OF
AUGUST 5, REFTEL B, PROTESTING SOVIET NON-FULFILLMENT OF MARITIME
AGREEMENT. NOTE WAS PRESENTED AUGUST 18 TO DCM (REF C).

2. BEGIN TEXT: IN CONNECTION WITH THE NOTE OF THE EMBASSY OF THE
UNITED STATES OF AMERICA NUMBER 1055 OF AUGUST 5, 1976, THE MINISTRY
OF FOREIGN AFFAIRS OF THE UNION OF SOVIET SOCIALIST REPUBLICS CON-
SIDERS IT NECESSARY TO STATE THE FOLLOWING.

3. A CAREFUL EXAMINATION OF ALL THE CIRCUMSTANCES, CONNECTED WITH
THE APPLICATION OF THE AGREEMENT BETWEEN THE GOVERNMENTS OF THE USSR
AND USA REGARDING CERTAIN MARITIME MATTERS OF DECEMBER 29, 1975
INDICATED THAT THERE IS NO BASIS TO ASSERT, AS HAD BEEN DONE IN THE
ABOVE-MENTIONED NOTE OF THE EMBASSY THAT SOVIET
MERCHANT MARINE ORGANIZATIONS "ARE IGNORING THE BASIC
PRINCIPLES UNDERPINNING THE AGREEMENT."

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4. IF ONE TURNS TO THE FACTUAL DATA, RELATED TO THE SHIPMENT OF GRAIN FROM THE UNITED STATES TO THE SOVIET UNION, THEY TESTIFY TO THE FACT THAT IN THE PERIOD SEPTEMBER 1, 1975 TO AUGUST 1, 1976, 15,349,300 TONS OF GRAIN CARGO WERE SHIPPED. OF THIS AMOUNT, SOVIET MERCHANT MARINE ORGANIZATIONS OFFERED FOR CARRIAGE BY US-FLAG VESSELS 5,320,000 TONS OR 34.7 PERCENT OF THE TOTAL.

5. THE AMOUNT OF GRAIN CARGOES ACTUALLY CARRIED BY THE AMERICAN FLEET IN THIS PERIOD HAS INDEED AMOUNTED TO ABOUT 26 PERCENT. HOWEVER, THIS HAPPENED NOT BECAUSE AMERICAN FLAG VESSELS WERE REFUSED THE OPPORTUNITY TO CARRY CARGOES, BUT IN CONNECTION WITH VARIOUS CIRCUMSTANCES OF AN OPERATIONAL-TECHNICAL CHARACTER, SUCH AS THE LACK OF AVAILABLE AMERICAN TONNAGE IN THE FOURTH QUARTER OF 1975, DELAY OF US-FLAG VESSELS IN MEETING STIPULATED LOADING SCHEDULES, THE REFUSAL OF AMERICAN FREIGHT DISPATCHERS TO ACCEPT LARGE TONNAGE VESSELS FOR LOADING, FOR WHICH THE SOVIET SIDE CANNOT, NATURALLY, BEAR ANY RESPONSIBILITY. IN THIS CONNECTION, IT MIGHT BE NOTED, THAT THE SOVIET MERCHANT FLEET PARTICIPATED IN THE INDICATED CARRIAGE EVEN TO A LESSER EXTENT THAN US VESSELS, AND CARRIED ONLY NINETEEN PERCENT OF THE ABOVE-MENTIONED LEVEL OF GRAIN CARGOES.

6. WITH REGARD TO THE FREIGHT RATES, AGREED UPON ON SEPTEMBER 17, 1975 FOR THE SHIPMENT OF GRAIN FROM US GULF OF MEXICO PORTS TO SOVIET BLACK SEA AND BALTIC PORTS, THE MARITIME ADMINISTRATION IS WELL AWARE THAT SOVIET CHARTERERS STRICTLY APPLY THEM IN MUTUAL SETTLEMENTS WITH US SHIPOWNERS.

7. THE CIRCUMSTANCES, REGARDING SHIPMENTS OF GRAIN IN AUGUST OF THIS YEAR, TO WHICH REFERENCE IS MADE IN THE EMBASSY NOTE, REPRESENT USUAL OPERATING-COMMERCIAL PRACTICES AND THE ACTIONS OF SOVIET MERCHANT MARINE ORGANIZATIONS IN THESE SITUATIONS ARE IN COMPLETE CONFORMITY WITH PROVISIONS OF THE AGREEMENT OF DECEMBER 29, 1975, AND TO OTHER UNDERSTANDINGS AGREED BETWEEN THE PARTIES.

8. IF, IN THE OPINION OF THE AMERICAN SIDE, ANY TYPE OF DIFFICULTIES AROSE IN CONNECTION WITH COMPLETION OF DELIVERIES ACCORDING TO CONTRACTS IN 1975-76, THEN THESE ARE CONNECTED

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WITH THE SPECIFIC PROGRAM OF SHIPPING FOR AUGUST, PROPOSED BY AMERICAN FREIGHT DISPATCHERS (PORTS FOR LOADING, NUMERICAL LEVELS, ETC.), AND THEY MUST BE RESOLVED IN A BUSINESSLIKE AND OPERATIONAL FASHION. PRECISELY WITH THIS AIM AND TO AVOID LOSS OF TIME, IT WAS PROPOSED THAT SOVFRACHT AND AMERICAN SHIPOWNERS DIRECTLY AGREE ON CONDITIONS OF CARRIAGE FOR THOSE ROUTES FOR WHICH FREIGHT RATES WERE NOT AGREED UPON AND WHERE US VESSELS UP TILL NOW HAVE NOT PARTICIPATED IN THE

CARRIAGE. SUCH A PROPOSAL CORRESPONDS TO POINT 3 A) ANNEX 111 TO THE AGREEMENT OF DECEMBER 29, 1975, WHERE IT SPEAKS OF CARRIAGE OF CARGO "AT A MUTUALLY ACCEPTABLE RATE" AND EVEN ABOUT SETTING "LOWER RATES IF SUCH LOWER RATES ARE ACCEPTED BY A US FLAG CARRIER."

9. WITH REGARD TO THE CONDITIONS FOR UNLOADING US-FLAG VESSELS IN THE PORT OF NAKHODKA, THE COMPLAINT SET FORTH IN THE EMBASSY NOTE IS DIFFICULT TO EVALUATE OTHER THAN AS A MANIFESTATION OF A LACK OF DESIRE TO ACCEPT THE EXISTING SITUATION IN THIS PORT, WHERE DEPTHS AT MOORINGS RESTRICT THE USE OF LARGE VESSELS, AND THE LACK OF APPROPRIATE EQUIPMENT (PNEUMATIC FREIGHT HANDLING EQUIPMENT) EXCLUDES THE POSSIBILITY OF UNLOADING TANKERS.

10. THE AMERICAN NOTE INCORRECTLY CONSTRUES THE STIPULATION OF SOVFRACHT CONCERNING BULK SHIPMENT ONLY ON DRY CARGO VESSELS, AS A DEMAND, APPLICABLE TO ALL SHIPMENTS IN THE ROUTES US ATLANTIC COAST/GULF OF MEXICO - BLACK/BALTIC SEA. AS IS KNOWN, IN AUGUST OF THIS YEAR A SINGLE-LOT CARGO OF 23,25,000 TONS BECAME AVAILABLE FOR SHIPMENT ON THIS ROUTE, WHICH WAS OFFERED TO AMERICAN SHIPOWNERS. THE STIPULATION OF THE CHARTERER OF THE SHIPMENT OF THIS BULK LOT IN A DRY CARGO VESSEL IS A LEGITIMATE COMMERCIAL CONDITION, WHICH, HOWEVER, IN NO WAY CAN SERVE AS THE GROUNDS FOR BASELESS GENERALIZATIONS.

11. THE SOVIET SIDE VIEWS THE AGREEMENT BETWEEN THE GOVERNMENTS OF THE USSR AND USA REGARDING CERTAIN MARITIME MATTERS AS AN IMPORTANT INSTRUMENT IN THE PLAN OF DEVELOPMENT OF MUTUALLY BENEFICIAL ECONOMIC RELATIONS BETWEEN THE TWO SIDES. THE MUTUAL UTILITY OF THIS AGREEMENT IS OBVIOUS. HOWEVER, THE AMERICAN SIDE RECENTLY HAS BEEN ATTEMPTING TO OBTAIN UNILATERAL ADVANTAGES BY MEANS OF ACCUMULATING ALL TYPES OF ARTIFICIAL COMPLAINTS AGAINST SOVIET MERCHANT MARINE ORGANIZATIONS. THIS
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WAS EVIDENT, IN PARTICULAR, DURING THE MEETING IN JUNE OF THIS YEAR OF THE DESIGNATED REPRESENTATIVES OF THE PARTIES, AT WHICH AS A RESULT OF THE POSITION TAKEN BY THE US DELEGATION, PRACTICAL DECISIONS COULD NOT BE TAKEN ON EVEN ONE CURRENT ISSUE, INCLUDING THE ISSUE OF A METHOD OF DETERMINING FREIGHT RATES FOR THE SHIPMENT OF GRAIN AFTER JANUARY 1, 1977, AS ENVISAGED IN THE LETTERS EXCHANGED BY THE USSR MINISTER OF THE MERCHANT MARINE AND THE US SECRETARY OF COMMERCE ON DECEMBER 29, 1975.

12. THE MINISTRY OF FOREIGN AFFAIRS OF THE USSR CONSIDERS THAT THE FUTURE SUCCESSFUL APPLICATION OF THE INDICATED AGREEMENT ON SHIPMENT OF GRAIN CARGOES DEPENDS ABOVE ALL ON A REALISTIC AND CONSTRUCTIVE APPROACH BY THE AMERICAN SIDE TO ISSUE WHICH ARISE. THE FULFILLMENT OF THE AGREEMENT CAN BE GUARANTEED ONLY ON THE BASIS OF THE PRINCIPLES OF EQUALITY

AND MUTUAL BENEFIT BY MEANS OF PRACTICAL AND EFFECTIVE
COOPERATION BETWEEN THE CORRESPONDING ORGANIZATIONS OF THE
TWO COUNTRIES.

13. THE SOVIET SIDE IN THE FUTURE WILL STRICTLY ADHERE TO
THE PROVISIONS CONTAINED IN THE AGREEMENT OF DECEMBER 29, 1975.
END TEXT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, MARITIME LAW, EAST WEST TRADE, DIPLOMATIC NOTES, DIPLOMATIC PROTESTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW13089
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760317-0115
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760843/aaaabkrm.tel
Line Count: 178
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 MOSCOW 12377, 76 STATE 190964, 76 MOSCOW 13088
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2004 by ElyME>; APPROVED <01 SEP 2004 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOVIET REPLY TO US PROTEST ON NONFULFILLMENT OF MARITIME AGREEMENT
TAGS: EWWT, UR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006